

Message Text

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UNCLAS KUWAIT 3157

USDA FOR FAS

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E.O. 11652: N/A
TAGS: BAGR, BEXP, KU
SUBJECT: POSSIBLE FAS FOOD EXHIBIT - FY 78 - FY 79

REF: (A) STATE 126084 (NOTAL), (B) KUWAIT 2324,
(C) KUWAIT 3142 (NOTAL).

1. SUMMARY: RECENT VISIT BY FAS SALES TEAM PROVIDED OPPORTUNITY TO DISCUSS PROPOSED FOOD EXHIBIT IN KUWAIT WITH NUMBER OF PROMINENT KUWAITI IMPORTERS. IMPORTERS COMMENTS LEAD US TO CONCLUDE THAT PROPOSAL FOR FOOD EXHIBITION SHOULD BE GIVEN FURTHER CONSIDERATION IN MID-1978 FOR POSSIBLE IMPLEMENTATION IN LATTER PART FY 79. END SUMMARY.

2. POLLING OF KUWAITI FOOD IMPORTERS REVEALED DEFINITE FEELING THAT FOOD EXHIBITION IN KUWAIT IN 1978 WOULD BE TOO SOON AFTER 1976 KUWAIT FOOD SHOW AND RECENTLY UNCLASSIFIED

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HELD CAIRO AND TEHRAN FOOD FAIRS. ALTHOUGH MOST OF THE TRADERS TALKED TO WELCOMED IDEA IN PRINCIPLE, THEY EXPRESSED SKEPTICISM THAT SUFFICIENT NEW PRODUCT LINES SUITABLE TO KUWAIT WOULD BECOME AVAILABLE IN SUCH SHORT TIME SPAN. WITHOUT SUCH NEW LINES, 1978 SHOW WOULD JUST BE REPETITION OF 1976 SHOW AND NOT SUCCESSFUL. THEY ALSO NOTED THAT AMERICAN PROCESSED FOODS STILL HAVE ONLY

A LIMITED MARKET AND RECEIVE STRONG PRICE COMPETITION FROM OTHER SOURCES. AN ESTIMATED 70PERCENT OF FOOD CONSUMED IN KUWAIT IS SOLD THROUGH GOVERNMENT COOPERATIVES, AND MANAGER OF GOVERNMENT ORGANIZATION PURCHASING FOR COOPERATIVES MADE IT CLEAR THAT HIS AGENCY NOT PREPARED TO PAY ANY PREMIUM FOR PACKAGING, ETC. WHICH GOES INTO MANY U.S. FOODS. HE AND OTHERS ESTIMATED THAT PRIME MARKET FOR U.S. FOODS IS AT MOST TEN PERCENT OF ROUGHLY 450,000 KUWAITI CITIZENS, PLUS PERHAPS ANOTHER 30-50,000 EXPATRIATES.

3. GIVEN ABOVE, IT IS CLEAR THAT FOOD EXHIBIT IN KUWAIT WOULD MAKE SENSE ONLY IF IT ALSO HAD REGIONAL ATTRACTION, DRAWING FOOD IMPORTERS FROM OTHER COUNTRIES, OR APPEALING TO FOOD IMPORTERS IN KUWAIT WHO RE-EXPORT TO THE AREA. 1976 KUWAIT FOOD SHOW DID HAVE MODEST SUCCESS IN THIS RESPECT, DRAWING, WE UNDERSTAND, 15 SAUDIS, 5 BAHRAINIS, 2 IRAQIS, 2 IRANIANS, 1 QATARI, AND 2 UAE VISITORS. THEIR PRESENCE WAS PARTLY DUE TO FACT SOME OF THEM HAPPENED TO BE IN KUWAIT ON OTHER BUSINESS, AND MOSTLY TO VIGOROUS EFFORTS BY PREVIOUS FAS REP FOR REGION, WHO KNEW THEM ALL FROM MANY YEARS' EXPERIENCE IN AREA AND HAD PERSONALLY VISITED THEM PRIOR TO SHOW URGING THAT THEY ATTEND. WE WONDER WHETHER IT WILL BE EASY TO ATTRACT REGIONAL PARTICIPATION FOR FUTURE FOOD EXHIBITION, WITHOUT SIMILAR EFFORT. ALSO, CONGESTION AT KUWAIT'S PORT COMPARED TO CLEARING OF OTHER PORTS IN AREA COULD MAKE KUWAIT LESS OF A RE-EXPORT CENTER THAN IT HAS BEEN IN PAST.
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4. IF A FOOD EXHIBITION IN KUWAIT IS TO BE ATTEMPTED, IT WILL OBVIOUSLY REQUIRE A VERY LONG LEAD TIME AND A MANAGER WHO MUST BE FAMILIAR WITH THE AREA, THE MARKETS, THE PLAYERS, AND THEIR DIFFERING PRODUCT PREFERENCES. WE NOW SUGGEST THAT CONSIDERATION OF A FOOD SHOW IN KUWAIT BE POSTPONED TILL MID 1978, TO GIVE TIME FOR A WASHINGTON-BASED FAS MIDDLE EAST AREA SPECIALIST TO VISIT THE AREA, DISCUSS SUCH AN IDEA FURTHER WITH VARIOUS AREA FOOD IMPORTERS AND WITH THIS EMBASSY. THIS FURTHER INFORMATION, IF COMBINED WITH DEVELOPMENT OF NEW PRODUCTS, WOULD THEN PROVIDE BASE FOR CONSIDERATION OF EXHIBITION IN LATE FY 1979.

5. GIVEN ABOVE AND IMPOSSIBILITY OF PREDICTING 1979 COSTS IN INFLATIONARY ECONOMY LIKE KUWAIT, COMMENTS ON BUDGET, LOCATION, ETC. REQUESTED PARA 2, REF A SHOULD BE DEFERRED UNTIL IT CERTAIN THAT HOLDING EXHIBITION IS CALLED FOR.

SUTHERLAND

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